

Message Text

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ACTION OES-05

INFO OCT-01 NEA-10 ISO-00 L-03 SS-15 INR-07 SP-02 PM-04

MC-02 EB-07 SSO-00 INRE-00 /056 W

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O 170833Z MAR 76

FM AMCONSUL BOMBAY

TO SECSTATE WASHDC NIACT IMMEDIATE 6255

INFO AMEMBASSY NEW DELHI NIACT IMMEDIATE

C O N F I D E N T I A L BOMBAY 0683

STADIS//////////

EO 11652: GDS

TAGS: TECH

SUBJ: TARAPUR NUCLEAR FUEL EXPORT LICENSE

REF: STATE 63369

1. CHAIRMAN SETHNA BROKE HIS SCHEDULE TO TALK WITH ME FOR OVER AN HOUR THIS MORNING TO DISCUSS REFTEL AND OTHER URGENT QUESTIONS. HE SAW NO CONFLICT BETWEEN STATEMENT OF INDIAN EMBASSY MENTIONED REFTEL AND PARA 2 OF HIS LETTER OF MARCH 15 (BOMBAY 673), BUT WAS DISTURBED THAT OTHERS MAY READ THESE TWO DOCUMENTS AS SUGGESTING DIFFERENT CONCLUSIONS. HE EXPLAINED THAT FUEL FABRICATION PLANT WILL BE DISRUPTED AT END OF MARCH IN SENSE THAT IT WILL HAVE TO RUN FOR LARGE PART ON BASIS OF RECYCLING REJECTS AND USING SUB-STANDARD MATERIAL. WITHOUT SUPPLY OF NEW FUEL IT WOULD INDEED HAVE TO SHUT DOWN EVENTUALLY. AS ITS CAPACITY IS ONLY 25 TONS (OXIDE) PLUS 5 TONS (RECYCLING), DELAY BEYOND MARCH IN RECEIPT OF FUEL REQUESTED FROM US WILL EVENTUALLY FORCE SOME REDUCTION IN TARAPUR POWER OUTPUT. THIS MAY BE AS SOON AS SEPTEMBER-OCTOBER OR IT MAY NOT OCCUR UNTIL 1977, DEPENDING ON MANY FACTORS (E.G., NUMBER OF LEAKERS FOUND IN NEXT RECHARGE OF UNIT 2, SUCCESS IN QUICKLY COMMISSIONING GLADOLINA PLANT IN JUNE). ESSENTIAL FACTS ARE THAT FUEL FABRICATION PLANT IS SMALL AND INTERRUPTION IN ITS OUTPUT WILL EVENTUALLY AFFECT POWER OUTPUT AT TARAPUR UNLESS THERE IS HAPPY CONINCIDENCE OF FAVORABLE FACTORS. PARA 2 OF
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BOMBAY'S 673 ON OTHER HAND IS BASED ON MORE FAVORABLE SET OF

ASSUMPTIONS AND THUS YIELDS A MORE OPTIMISTIC CONCLUSION, WHICH HOWEVER IS QUALIFIED BY REFERENCE TO PROBABILITY FACTOR.

2. SINCE CONVINCING RECONCILIATION REQUIRES CLOSE KNOWLEDGE OF MANY FACTORS NOT LIKELY TO BE KNOWN TO OR UNDERSTOOD BY PUBLIC, SETHNA BELIEVES HIS LETTER OF MARCH 15 TRANSMITTED AS BOMBAY 673 SHOULD BE CLASSIFIED CONFIDENTIAL. HOWEVER, HE LEAVES DISCRETION REGARDING CLASSIFICATION TO INDIAN EMBASSY. HE WANTS PEOPLE IN WASHINGTON DC TO BE ABLE TO RESOLVE ANY QUESTIONS IN NRC HEARINGS REGARDING POSSIBLE CONFLICTS IN VARIOUS STATEMENTS HE HAS MADE ABOUT THIS PROBLEM. HE CERTAINLY DOES NOT WANT INDIA'S CASE TO BE JEOPARDIZED BY OVERCLASSIFICATION OF DOCUMENTS. LAST PARAGRAPH OF HIS LETTER BELOW SHOULD BE READ AS INDICATING SETHNA WANTS CONTINUING CLOSE CONTACT BETWEEN INDIAN EMBASSY AND DEPARTMENT ON ALL ASPECTS OF FUEL LICENSE PROBLEMS.

3. I RECOGNIZE AND I BELIEVE BOTH SETHNA AND SHAH ARE ALSO AWARE THAT A NUMBER OF THEIR STATEMENTS ON THIS ISSUE DO NOT SQUARE WITH EACH OTHER EASILY, AT LEAST TO THE LAYMAN IN NUCLEAR POWER MATTERS. DURING MY DISCUSSION THIS MORNING SETHNA WAS INTERRUPTED THREE TIMES BY TELEPHONE CALLS FROM NEW DELHI REGARDING QUESTIONS COMING UP TODAY AND TOMORROW IN THE INDIAN PARLIAMENT ON THIS PROBLEM. HE OBVIOUSLY IS HAVING A VERY DIFFICULT TIME IN SATISFYING HIS SEVERAL AUDIENCES. WHAT HELPS IN ONE CASE HURTS HIM IN OTHERS. HE IS MAKING A SCRUPULOUS EFFORT TO BE HONES AND AS FORTHRIGHT AS POSSIBLE BUT THE PROBLEM IS COMPLICATED AND DOES NOT LEND ITSELF TO SIMPLE STATEMENTS REGARDING CAUSES AND EFFECTS. THERE FOLLOWS TEXT OF HIS LETTER IN RESPONSE TO QUESTION POSED REFTEL. BEGIN QUOTE. DEAR MR. COURTNEY, THE STATEMENT OF THE INDIAN EMBASSY AND THE QUESTION OF CONFIDENTIALITY WHICH YOU BROUGHT TO OUR ATTENTION ARE REPLIED JS FOLLOWS: THE STATEMENT OF THE INDIAN EMBASSY REGARDING THE DISRUPTION OF THE FUEL FABRICATION PLANT IS CORRECT IN THE SENSE THAT FROM 31ST MARCH WE WILL NOT HAVE ANY FRESH URANIUM HEXAFLUORIDE FOR PUTTING INTO THE PLANT AND HENCE PRODUCTION WOULD BE DISRUPTED. FROM END MARCH TO END AUGUST THE PLANT WILL WORK ON REJECTS - THAT IS SUBSTANDARD QUALITY PELLETS, GRINDING SCRAP, AND OTHER SCRAPS RESULTING FROM THE OPERATION OF THE PLANT. AS STATED THIS WILL ENABLE US TO RUN THE PLANT AT A MUCH REDUCED CAPACITY TILL AUGUST. WE WOULD SUGGEST THAT LETTER NO.169-76(TRANSMITTED AS BOMBAY 673) BE TREATED AS CONFIDENTIAL. CONFIDENTIAL

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STATE DEPARTMENT IS REQUESTED TO WORK IN CLOSE COLLABORATION WITH THE INDIAN EMBASSY FOR REVIEW OF THIS CLASSIFICATION. YOURS SINCERELY, SIGNED (H.H.SETHNA). END QUOTE. COURTNEY

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Message Attributes

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